



United States
Department of
Agriculture

Farm Service Agency

Fact Sheet

March 2004

Wool and Mohair Marketing Assistance Loan and Loan Deficiency Payments Program

Montana State Producer Handbook



Wool and mohair producers have until January 31, 2004 to apply for either a nine-month, nonrecourse marketing assistance loan or a Loan Deficiency Payment (LDP) for 2004-crop wool or mohair.

The national loan rate for ungraded wool offered, as collateral will secure a nonrecourse loan made at a rate of 40 cents per pound. For graded wool, loans will be based on the statutory rate of \$1.00 per pound. Producers who desire a nonrecourse loan for mohair will receive the statutory rate of \$4.20 per pound. Loan rates will be adjusted based on a schedule of quality premiums and discounts applicable to the 2003 marketing year. The repayment amount per pound for mohair and for both graded and ungraded wool will be announced at close of business each Tuesday, and can be found on the Montana FSA website at www.fsa.usda.gov/mt.

For Montana the loan rates are divided into two regions by county. Producers should pick the correct region for their operation and then check the posted rates at:

<http://www.fsa.usda.gov/dafp/psd/MKTPRICLEAN2.htm> for region 2 counties, and at: <http://www.fsa.usda.gov/dafp/psd/MKTTPRICLEAN3.htm> for region 3 counties for the most up-to-date prices and information.

REGION 2

Big Horn
Carbon
Carter
Custer
Daniels
Dawson
Fergus
Fallon
Gallatin
Garfield
Golden Valley
McCone
Musselshell
Park
Prairie
Petroleum
Phillips
Powder River
Richland
Roosevelt
Rosebud
Sheridan
Stillwater
Sweet Grass
Treasure
Valley
Wheatland
Wibaux
Yellowstone

REGION 3

Blaine
Broadwater
Cascade
Chouteau
Deer Lodge
Flathead
Glacier
Granite
Hill
Jefferson
Judith Basin
Lake
Lewis and Clark
Liberty
Lincoln
Madison
Meagher
Mineral
Missoula
Pondera
Powell
Prairie
Ravalli
Sanders
Silver Bow
Teton
Toole

These repayment prices reflect prices being offered in the current market.

Along with honey, wool and mohair marketing loan gains and LDPs received by producers for each crop year are subject to one \$75,000 payment limitation per crop year. The LDP rate computed for the date of sale will be the rate producers will receive.

Wool and mohair nonrecourse marketing assistance loans provide eligible producers with interim financing on their production and facilitate the orderly marketing of the commodity throughout the year. Instead of selling the wool or mohair immediately after shearing, a nonrecourse loan allows a producer to store the production, pledging the commodity itself as collateral.

For More Information

For further information on this and other FSA programs, contact your local FSA office, or visit Montana FSA's home page at: <http://www.fsa.usda.gov/mt>

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Instead of obtaining a loan, producers may request LDPs on these commodities. The LDP rates will be the difference between the per pound loan rate and the weekly announced repayment rate.